

Message Text

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ACTION ARA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 DODE-00 PM-04

H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 DHA-02 ACDA-07 TRSY-02 IO-13

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 7147

INFO AMEMBASSY ASUNCION

AMEMBASSY BOGOTA

AMEMBASSY BUENOS AIRES

AMEMBASSY PRAGUE

AMEMBASSY SAN SALVADOR

AMEMBASSY SANTIAGO

USCINCSO QUARRY HTS

USCINCLANT NORFOLK VA

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E.O. 11652: N/A

TAGS: PGOV, ECON, ENRG, SHUM, PFOR, ELAB, PINT, VE

SUBJECT: THIS WEEK IN VENEZUELA

REF: CARACAS 3006 (NOTAL)

SUMMARY. PETROLEOS DE VENEZUELA REPORTS SUCCESSFUL FIRST YEAR. VENEZUELAN CONGRESS ISSUES HUMAN RIGHTS STATEMENTS. EX-PRESIDENT BETANCOURT IN NEW YORK FOR MEDICAL TREATMENT. WILDCAT STRIKE CRIPPLES NATION'S ONLY ALUMINUM PLANT. COPEI CONTINUES TO CRITICIZE AD. CONGRESS ELECTS FIVE SUPREME COURT JUSTICES. END SUMMARY.

1. PETROLEOS DE VENEZUELA REPORTS SUCCESSFUL FIRST YEAR.

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PETROLEOS DE VENEZUELA (PETROVEN), MAKING ITS FIRST ANNUAL REPORT TO ITS SOLE STOCKHOLDERS, THE GOV IN THE PERSON OF THE MINISTER OF ENERGY, DESCRIBED 1976 AS A YEAR OF TRANSITION AND CONSOLIDATION. IT REPORTED TOTAL SALES OF \$9.1 BILLION, RESULTING IN A NET RETURN TO THE GOVERNMENT OF \$8.92 PER BARREL COMPARED TO \$7.89 IN 1975, THE LAST YEAR OF PRIVATE CONTROL. EXPORTS AVERAGED 2,156,000

BARRELS PER DAY, ALSO SLIGHTLY ABOVE 1975. ON THE DOMESTIC FRONT, HOWEVER, PETROLEOS SUFFERED A SETBACK THIS WEEK WHEN PRESIDENT PEREZ, SENSITIVE TO INTERNAL POLITICAL PRESSURES, SUSPENDED A STUDY AIMED AT INCREASING DOMESTIC NATURAL GAS PRICES. PETROLEOS AND THE MILISTRY AS YET HAVE HAD NO SUCCESS IN THEIR EFFORTS TO INCREASE DOMESTIC PRICES OF NATURAL GAS, GASOLINE AND OTHER OIL PRODUCTS.

2. VENEZUELAN CONGRESS ISSUES HUMAN RIGHTS STATEMENTS. THE FIRST MONTH OF THE CONGRESSIONAL SESSION, ASIDE FROM THE DEBATE ON PRESIDENT PEREZ' ANNUAL MESSAGE, HAS BEEN NOTED FOR THE NUMBER OF RESOLUTIONS ON HUMAN RIGHTS MATTERS. DURING THE FIRST THREE WEEKS THE SENATE PASSED RESOLUTIONS DEPLORING THE DEPRIVATION OF HUMAN RIGHTS IN EL SALVADOR AND ARGENTINA, WHILE THE CHAMBER OF DEPUTIES ADOPTED A RESOLUTION LAMENTING THE BANNING OF POLITICAL PARTIES AND THE VIOLATION OF HUMAN RIGHTS IN CHILE. THIS WEEK THE FOREIGN AFFAIRS COMMITTEE OF THE CHAMBER OF DEPUTIES ADDRESSED STATEMENTS TO THE PRESIDENTS OF PARAGRAY AND CZECHOSLOVAKIA CALLING FOR RESPECT FOR HUMAN RIGHTS IN THOSE TWO COUNTRIES.

3. EX-PRESIDENT BETANCOURT IN NEW YORK FOR MEDICAL TREATMENT. EX-PRESIDENT ROMULO BETANCOURT WAS FLOWN TO THE COLUMBIAN PRESBYTERIAN HOSPITAL IN NEW YORK EARLY MARCH 30 ACCOMPANIED BY SEVERAL DOCTORS, HIS WIFE AND DAUGHTER. SUFFERING FROM A TWO-WEEK OLD VIRAL INFECTION, BETANCOURT'S CONDITION IS NOT CONSIDERED SERIOUS, ALTHOUGH REPORTEDLY AGGRAVATED BY THE "PHYSICAL EXHAUSTION" BROUGHT ABOUT BY HIS INTENSE WORK LIMITED OFFICIAL USE

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ON A BOOK ABOUT PRESIDENT CARTER.
COMMENT: AS BEFITS THE FATHER OF VENEZUELAN DEMOCRACY, BETANCOURT'S ILLNESS AND TRAVEL HAVE BEEN FRONT-PAGE NEWS IN THE CARACAS DAILIES.

4. WILDCAT STRIKE CRIPPLES NATION'S ONLY ALUMINUM PLANT. IN AN APPARENT SPONTANEOUS ACTION, SOME 600 WORKERS AT THE ALCASA ALUMINUM PLANT IN PUERTO ORDAZ WALKED OFF THEIR JOBS MARCH 23, BRINGING THE NATION'S SOLE ALUMINUM PRODUCER TO A VIRTUAL STANDSTILL. CHARGING THE UNION LEADERSHIP WITH PATRONAGE AND BEING OUT OF TOUCH WITH WORKER CONCERNS, LOCAL STRIKE LEADERS ARE DEMANDING BACK PAY FOR SEVEN CRANE OPERATORS, AN END TO ARBITRARY LAYOFFS, AND A PROMISE OF NO RECRIMINATIONS AGAINST THE STRIKERS. A LABOR MINISTRY RESOLUTION DECLARING THE STRIKE ILLEGAL HAS BEEN REJECTED BY THE STRIKERS. THERE HAVE BEEN UNCONFIRMED REPORTS OF CONSIDERABLE DAMAGE TO THE PLANT.

5. COPEI CONTINUES CRITICISM OF AD. THE MARCH 25-26

MEETING OF THE NATIONAL DIRECTORATE OF THE MAJOR OPPOSITION PARTY (COPEI) PRODUCED A 50-MINUTE SPEECH BY FORMER PRESIDENT CALDERA AND A 15-PAGE OFFICIAL STATEMENT, BOTH CRITICAL OF THE AD GOVERNMENT'S POLICIES AND PERFORMANCE. CALDERA CONTINUED THE ATTACK BEGUN LAST WEEK IN THE CONGRESS BY EDUARDO FERNANDEZ, POINTING TO A LIST OF SOCIAL ILLS AND AD'S ADMINISTRATIVE INCOMPETENCE CAUSING "WHAT WAS GOOD TO TURN BAD, AND WHAT WAS BAD TO BECOME WORSE." THE COPEI STATEMENT HAMMERED AWAY ON ECONOMIC THEMES, SCORING THE DETERIORATION IN THE QUALITY OF LIFE AND, MORE PARTICULARLY, THE INFLATIONARY IMPACT OF AD'S PROPOSED TAX REFORMS. LOOKING TO THE NOMINATION OF THE COPEI PRESIDENTIAL CANDIDATE IN JULY 1977, THE DIRECTORATE NAMED THE ELCTORAL COMMISSION TO OVERSEE THE NOMINATION PROCESS.

6. CONGRESS ELECTS FIVE SUPREME COURT JUSTICES. CONGRESS MARCH 31 ELECTED FIVE MAGISTRATES OF THE FIFTEEN-MEMBER LIMITED OFFICIAL USE

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SUPREME COURT OF JUSTICE. FOUR OF THE MEN, ANTONIO JOSE LOSADA, JOSE AGUSTIN MENDEZ, CARLOS TREJO PADILLA AND VICTOR ORTEGA MENDOZA, ARE CURRENT MEMBERS OF THE COURT. NELSON DAVILA AGUILERA REPLACES RETIRING JUSTICE PEDRO ESPINOZA VILORIA. THE SOLON'S TERM OF OFFICE WILL BE NINE YEARS. CONGRESS ALSO ELECTED A FIVE MEMBER SLATE OF SUPERNUMERARIES FOR EACH OF THE THREE CHAMBERS OF THE SUPREME COURT, A TOTAL OF FIFTEEN SUBSTITUTE JUSTICES.

7. OTHER REPORTING THIS WEEK INCLUDED U.S. NEGOTIATORS' VISIT TO VENEZUELA AND COLOMBIA FOR BRIEFINGS ON PANAMA CANAL (CARACAS 3057), PRESIDENT VIDELA'S PROPOSED VISIT TO VENEZUELA (CARACAS 3122), VENEZUELAN AND OPEC ASSISTANCE TO LDC'S (CARACAS 3217), ILLICIT PAYMENTS (CARACAS 3148), AN ADDITIONAL SUSPECT ARRESTED IN THE NIEHOUS KIDNAPPING (CARACAS 3159), THE STATUS OF RATIFICATION OF AMENDED IMF ARTICLES AND QUOTA INCREASES (CARACAS 3198), THE VISIT OF DANIEL J. HOROWITZ TO EXPLAIN THE U.S. POSTURE TOWARD THE ILO (CARACAS 3081) AND THE RATIFICATION OF THE INTERNATIONAL CIVIL AVIATION AGREEMENT (CARACAS 3199).
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Message Attributes

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Subject: THIS WEEK IN VENEZUELA
TAGS: PGOV, ECON, ENRG, SHUM, PFOR, ELAB, PINT, VE
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4b8307ac-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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EO Systematic Review
22 May 2009
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